

VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

Meeting of the Board of Trustees

April 13, 2012

VMERS Members present:

STEVEN JEFFREY, Chairperson Employer Representative (term expiring July 1, 2014)

PETER AMONS, Employee Representative (term expiring July 1, 2012)

THOMAS GOLONKA, Employer Representative (term expiring July 1, 2012)

DAVID ROWLEE, Employee Representative (term expiring July 1, 2014)

ELIZABETH PEARCE, Vermont State Treasurer

Board members absent:

None

Also attending:

Steve Wisloski, Deputy Vermont State Treasurer

Matt Considine, CFA, Director of Investments

Jeff Fannon, VT-NEA

Nancy Stevenson-Lyon

Laurie Lanphear, Director of Retirement Operations

Tina Kaweck, Secretary to the Board

Monica Chiren, Assistant to Tina Kaweck, Secretary to the Board

The Vice-Chairperson, Peter Amons, called the Friday, April 13, 2012 meeting to order at 9:10 a.m., which was held in the Tre-Fin Conference Room, fourth floor, 109 State Street, Montpelier, VT.

ITEM 1: **Approve the minutes of January 25, 2012**

On motion by Mr. Golonka, seconded by Ms. Pearce, the Board unanimously voted to approve the minutes of January 25, 2012, as submitted.

The consensus of the Board was to move to item number 3.

ITEM 2: **Discuss/Act on Disability Hearing Officer contract**

Mr. Wisloski indicated the contract for the evidentiary hearing officers needs to be addressed. Mr. Wisloski indicated the evidentiary hearing officers are used for the disabilities that the Medical Review Board denies. Mr. Wisloski indicated the contract would be for Michael Zimmerman, whose contract expires June 30, 2012 and for Robin Barone, whose contract expired last year. Mr. Wisloski indicated these are low amount contracts that can be handled through the Treasurer's office.

On motion by Mr. Golonka, seconded by Ms. Pearce, the Board unanimously voted to authorize the Treasurer's Office to engage in contract negotiations with Michael

Zimmerman and Robin Barone as evidentiary hearing officers for the disabilities, contingent upon approval by all three Boards, Municipal, State and Teacher.

ITEM 3: Renewal of ICMA-RC Contract for VMERS RHS (Retirement Health Savings) Plan

Ms. Pearce provided the Board members the background on the RHS Plan and how contributions are made when the fund is overfunded. Mr. Wisloski indicated they are requesting a five-year waiver for this contract.

(Mr. Jeffrey arrived during this agenda item.)

On motion by Mr. Golonka, seconded by Ms. Pearce, the Board unanimously voted to authorize the Treasurer's Office to seek a five-year waiver to renew the ICMA-RC contract for the VMERS RHS (Retirement Health Savings) Plan.

Mr. Jeffrey apologized to the Board members for his late arrival.

ITEM 4: Appoint VMERS Alternate Representative for VPIC

Mr. Golonka indicated he would be willing to continue to serve as the Alternate Representative to VPIC.

On motion by Ms. Pearce, seconded by Mr. Amons, the Board unanimously voted to appoint Tom Golonka as the Alternate Representative for VPIC with a term to expire June 30, 2016.

ITEM 5: Discuss/Act on Disability Retirement 90-Day Waiver request for:

- Nancy Stevenson-Lyon

(Mr. Considine left the meeting at this time.)

(Ms. Stevenson-Lyon and Mr. Fannon entered the meeting at this time.)

On motion by Ms. Pearce, seconded by Mr. Golonka, the Board voted unanimously to enter Executive Session at 9:25 a.m. pursuant to Title 1, § 313 for the purpose of discussing personnel issues. Ms. Stevenson-Lyon, Mr. Fannon and members of the Treasurer's staff were invited to enter Executive Session with the Board members.

(The Board exited Executive Session at 9:50 a.m.)

On motion by Ms. Pearce, seconded by Mr. Rowlee, the Board unanimously voted to grant the 90-Day Waiver request for Nancy Stevenson-Lyon to be able to apply for a disability retirement provided she apply for the disability retirement by July 1, 2012.

(Ms. Stevenson-Lyon and Mr. Fannon left the meeting at this time.)

ITEM 6: Review draft of VMERS/VSERS DC Plan Administrator RFP

Ms. Pearce indicated the DC Plan Administer contract is expiring, and that an RFP would need to be initiated. Ms. Pearce provided background on how the RFP process would work and requested a volunteer to assist in the review of the RFP responses. Ms. Pearce indicated there has been an extension until August 31, 2012 with the current contract with Fidelity. Ms. Pearce indicated what options the Board had relative to the DC Plan Administrator contract. Mr. Jeffrey reviewed with the Board members the contracts that VMERS currently had with the various providers. Ms. Pearce indicated the State Plan also offers the DC Plan to about 200 exempt employees, and that the Municipal plan can be separate from that.

On motion by Mr. Rowlee, seconded by Mr. Golonka, the Board unanimously voted to authorize the Treasurer's Staff to develop and initiate a RFP for a DC Plan Administrator.

Mr. Golonka and Mr. Jeffrey agreed to assist in the review of the RFP responses.

ITEM 7: Updates on the following:

- **2012 Legislative Activity – Act 153**
- **Potential IRS Regulations concerning Governmental Retirement Plans**
- **Termination Notification**
- **Upcoming Election Process**

Ms. Pearce provided the Board members with the background and information concerning Act 153. Ms. Pearce explained some of the consequences of Act 153. Ms. Pearce indicated she will continue to keep the Board updated on this issue. It was indicated the VMERS rates have been extended for one year.

Mr. Jeffrey reviewed with the Board members the potential IRS regulations concerning Governmental Retirement Plans, and a possible conflict of interest that might arise. The implications of the IRS regulations were discussed. Ms. Pearce indicated they will talk to legal counsel concerning this issue. Mr. Jeffrey indicated he will have a draft letter created and review that with Jaye Johnson, and then circulate it to the Board members for review. Mr. Jeffrey indicated they can have a phone conference in order to approve the letter.

Ms. Lanphear reviewed with the Board members the notification that is currently provided to members concerning a disability retirement. The Board discussed the reason for having a 90-day window to apply for a disability retirement. Ms. Pearce indicated she will contact David Driscoll to obtain the reasons behind the 90-day limit. It was indicated communication will be improved, to also include the union, and possible presentations and payroll officer trainings.

Mr. Jeffrey reviewed with the Board members the make-up of the Board and how elections are held. Mr. Golonka advised the Board he has indicated his interest and willingness to continue to

serve on the VMERS Board to the Governor's Office. Mr. Amons indicated he will be running for re-election for the Employee position which expires June 30, 2012.

ITEM 8: Any other business to come before the Board

Mr. Amons requested that Buck restate the table on page 7 of the Valuation Report under a 15-year amortization versus a 20-year amortization. Ms. Pearce indicated she will attempt to get that included in the actuarial report so there would not be an additional charge for it. It was discussed who can contact the actuary and the cost associated with the contacts.

Mr. Wisloski indicated the actuarial services contract is eligible for one more one-year renewal, and then in 2013 there would need to be an RFP for actuarial services. The Board agreed to deal with that contract at the next Board meeting.

Ms. Pearce indicated she would like to research the cost of having some of the actuary work moved to Buck's Indiana's office.

ITEM 9: Adjournment

On motion by Mr. Golonka, seconded by Mr. Amons, the Board unanimously voted to adjourn at 11:07 a.m.

Next Meeting Date:

There is no VMERS meeting currently scheduled.

Respectfully submitted,

Tina Kaweck
Secretary to the Board